

Office of the Attorney General for the District of Columbia

Karl A. Racine
Attorney General for the District of Columbia

B21-622: Campaign Finance Transparency and Accountability Amendment Act of 2016

The Office of the Attorney General (OAG) attended over 200 community meetings last year and a constant concern heard from residents was the need for a transparent, ethical, and fair government. In particular, residents were concerned with the perception that large campaign contributions can affect the outcome of government decisions and awards. The residents of the District of Columbia have charged OAG with promoting the public interest. With that mandate, and after a close examination of current laws, court decisions, and strong Council proposals, Attorney General Karl A. Racine introduced Bill 21-622 to strengthen three major pillars of the District's campaign-finance law: 1) ending pay-to-play politics; 2) making political donations transparent, and 3) creating a "bright line" between candidates and PACs. The proposal also includes other provisions that tighten the District's campaign-finance laws. Bill 21-622 was introduced on February 16, 2016 and jointly-referred to the Committee of the Whole and the Committee on the Judiciary.

Ending the Appearance of Pay-to-Play Politics

- ◆ "Pay-to-play politics" is a term that many D.C. political observers have used lately. It means that, when you donate to a politician, you get something of value in return.
- ◆ Under current law, donors to D.C. political campaigns can receive major financial benefits from the District government.
- ◆ This campaign-finance bill addresses this problem by saying if someone, including a corporation, donates to a campaign or a PAC, they cannot engage in any major business with the District for two years, including:
 - ◇ Large business contracts;
 - ◇ Major grants; and
 - ◇ Significant tax breaks.

Making Political Donations Transparent

- ◆ The Supreme Court has said that the government can't limit someone's independent expenditures (in other words, spending to support or oppose a candidate without actually working with a campaign).
- ◆ But government can put important disclosure requirements on this kind of spending to make sure the public knows where the money is coming from.
- ◆ Under current law, anonymous donors are able to give unlimited amounts of money to an organization in order to make independent expenditures, as long as that organization doesn't have electioneering as its principal purpose. So anyone could set up an entity and skirt our disclosure laws.



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- ♦ The legislation addresses this problem by making sure that all organizations making independent expenditures, not just primarily political ones, have to disclose their donors.

Creating a “Bright Line” Between Candidates and PACs

- ♦ The Supreme Court’s rulings make clear that, as long as someone is working with a campaign, their spending can be subjected to sensible regulations, like dollar limits
- ♦ Under current law, there is a lot of activity that individuals, corporations, and PACs can engage in that isn’t regulated – even though they are actually working with a campaign.
- ♦ The proposal would ensure that when someone works with a campaign, they are subject to all the regulations that help keep our elections clean and transparent.

Other Provisions

- ♦ This legislation would also close a loophole in District law that currently allows unlimited contributions to Political Action Committees (PACs) – committees set up to support a particular candidate or campaign but independent of that candidate or campaign – in non-election years. The legislation would ensure that the contribution limits are the same in non-election years and election years.
- ♦ The bill would also ensure that members of boards and commissions appointed by District government officials go through the same rigorous ethics training that District government employees undergo.



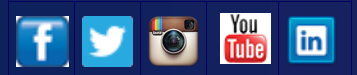
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